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# Exempt Organization Business Income Tax Return

(and proxy tax under section 6033(e))

For calendar year 2012 or other tax year beginning \_\_\_\_\_, and ending \_\_\_\_\_

<b>A</b> <input type="checkbox"/> Check box if address changed  <b>B</b> Exempt under section <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 408(e) <input type="checkbox"/> 220(e) <input type="checkbox"/> 408A <input type="checkbox"/> 530(a) <input type="checkbox"/> 529(a)	Print or Type	Name of organization ( <input type="checkbox"/> Check box if name changed and see instructions.) <b>FAMILY TREE, INC.</b>  Number, street, and room or suite no. If a P.O. box, see instructions. <b>1619 DAYTON AVENUE</b>  City or town, state, and ZIP code <b>ST. PAUL, MN 55104-6206</b>	<b>D</b> Employer identification number (Employees' trust, see instructions) <b>23-7133742</b>  <b>E</b> Unrelated business activity codes (See instructions)  <b>531120</b>
<b>C</b> Book value of all assets at end of year  <b>2,120,700.</b>	<b>F</b> Group exemption number (see instructions) _____ <b>G</b> Check organization type <input checked="" type="checkbox"/> 501(c) corporation <input type="checkbox"/> 501(c) trust <input type="checkbox"/> 401(a) trust <input type="checkbox"/> Other trust		

**H** Describe the organization's primary unrelated business activity. **RENTAL OF COMMERCIAL OFFICE UNITS.**

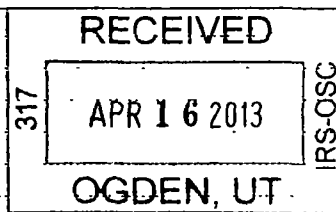
**I** During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group?  Yes  No  
If "Yes," enter the name and identifying number of the parent corporation. \_\_\_\_\_

**J** The books are in care of **BRIDGIT JORDAN** Telephone number **651-645-0478**

Part I: Unrelated Trade or Business Income	(A) Income	(B) Expenses	(C) Net
1 a Gross receipts or sales _____			
b Less returns and allowances _____ c Balance _____	1c		
2 Cost of goods sold (Schedule A, line 7)	2		
3 Gross profit. Subtract line 2 from line 1c	3		
4 a Capital gain net income (attach Schedule D)	4a		
b Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)	4b		
c Capital loss deduction for trusts	4c		
5 Income (loss) from partnerships and S corporations (attach statement)	5		
6 Rent income (Schedule C)	6		
7 Unrelated debt-financed income (Schedule E)	7	447,477.	365,584.
8 Interest, annuities, royalties, and rents from controlled organizations (Sch. F)	8		81,893.
9 Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)	9		
10 Exploited exempt activity income (Schedule I)	10		
11 Advertising income (Schedule J)	11		
12 Other income (see instructions; attach statement)	12		
13 <b>Total.</b> Combine lines 3 through 12	13	447,477.	365,584.
			81,893.

**Part II: Deductions Not Taken Elsewhere** (see instructions for limitations on deductions)  
(except for contributions, deductions must be directly connected with the unrelated business income)

14 Compensation of officers, directors, and trustees (Schedule K)			14
15 Salaries and wages			15
16 Repairs and maintenance			16
17 Bad debts			17
18 Interest (attach statement)			18
19 Taxes and licenses			19
20 Charitable contributions (see instructions for limitation rules)			20
21 Depreciation (attach Form 4562)	21		21
22 Less depreciation claimed on Schedule A and elsewhere on return	22a		22b
23 Depletion			23
24 Contributions to deferred compensation plans			24
25 Employee benefit programs			25
26 Excess exempt expenses (Schedule I)			26
27 Excess readership costs (Schedule J)			27
28 Other deductions (attach statement)		SEE STATEMENT 2	28
29 <b>Total deductions.</b> Add lines 14 through 28			29
30 Unrelated business taxable income before net operating loss deduction. Subtract line 29 from line 13			30
31 Net operating loss deduction (limited to the amount on line 30)			31
32 Unrelated business taxable income before specific deduction. Subtract line 31 from line 30			32
33 Specific deduction (generally \$1,000, but see instructions for exceptions)			33
34 <b>Unrelated business taxable income.</b> Subtract line 33 from line 32. If line 33 is greater than line 32, enter the smaller of zero or line 32			34



**Part III Tax Computation**

35	Organizations taxable as corporations (see instructions for tax computation). Controlled group members (sections 1561 and 1563) check here <input type="checkbox"/> See instructions and: a Enter your share of the \$50,000, \$25,000, and \$9,925,000 taxable income brackets (in that order): (1) \$ _____ (2) \$ _____ (3) \$ _____ b Enter organization's share of: (1) Additional 5% tax (not more than \$11,750) \$ _____ (2) Additional 3% tax (not more than \$100,000) \$ _____ c Income tax on the amount on line 34	35c	13,191.
36	Trusts taxable at trust rates (see instructions for tax computation). Income tax on the amount on line 34 from: <input type="checkbox"/> Tax rate schedule or <input type="checkbox"/> Schedule D (Form 1041)	36	
37	Proxy tax (see instructions)	37	
38	Alternative minimum tax	38	
39	Total. Add lines 37 and 38 to line 35c or 36, whichever applies	39	13,191.

**Part IV Tax and Payments**

40a	Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116)	40a	
b	Other credits (see instructions)	40b	
c	General business credit. Attach Form 3800	40c	
d	Credit for prior year minimum tax (attach Form 8801 or 8827)	40d	
e	Total credits. Add lines 40a through 40d	40e	
41	Subtract line 40e from line 39	41	13,191.
42	Other taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 <input type="checkbox"/> Form 8697 <input type="checkbox"/> Form 8866 <input type="checkbox"/> Other (attach statement)	42	
43	Total tax. Add lines 41 and 42	43	13,191.
44a	Payments: A 2011 overpayment credited to 2012	44a	136.
b	2012 estimated tax payments	44b	19,024.
c	Tax deposited with Form 8868	44c	
d	Foreign organizations: Tax paid or withheld at source (see instructions)	44d	
e	Backup withholding (see instructions)	44e	
f	Credit for small employer health insurance premiums (Attach Form 8941)	44f	
g	Other credits and payments: <input type="checkbox"/> Form 2439 <input type="checkbox"/> Form 4136 <input type="checkbox"/> Other _____ Total	44g	
45	Total payments. Add lines 44a through 44g	45	19,160.
46	Estimated tax penalty (see instructions). Check if Form 2220 is attached <input type="checkbox"/>	46	
47	Tax due. If line 45 is less than the total of lines 43 and 46, enter amount owed	47	
48	Overpayment. If line 45 is larger than the total of lines 43 and 46, enter amount overpaid	48	5,969.
49	Enter the amount of line 48 you want: Credited to 2013 estimated tax 5,969. Refunded	49	0.

**Part V Statements Regarding Certain Activities and Other Information** (see instructions)

1	At any time during the 2012 calendar year, did the organization have an interest in or a signature or other authority over a financial account (bank, securities, or other) in a foreign country? If "Yes," the organization may have to file Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts. If "Yes," enter the name of the foreign country here	Yes	No
2	During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," see instructions for other forms the organization may have to file		X
3	Enter the amount of tax-exempt interest received or accrued during the tax year \$		X

**Schedule A - Cost of Goods Sold.** Enter method of inventory valuation  N/A

1	Inventory at beginning of year	1		6	Inventory at end of year	6	
2	Purchases	2		7	Cost of goods sold. Subtract line 6 from line 5. Enter here and in Part I, line 2	7	
3	Cost of labor	3					
4a	Additional section 263A costs (att statement)	4a					
b	Other costs (attach statement)	4b					
5	Total. Add lines 1 through 4b	5					
				8	Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization?	Yes	No

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge

Sign Here: Signature of officer: *[Signature]* Date: 1/3/2013 Title: EXECUTIVE DIRECTOR

May the IRS discuss this return with the preparer shown below (see instructions)?  Yes  No

Paid Preparer Use Only: Print/Type preparer's name: XIAOYAN LUO; Preparer's signature: *[Signature]*; Date: 03/22/13; Check  if self-employed; PTIN: P01305207; Firm's name: CLIFTONLARSONALLEN LLC; Firm's EIN: 41-0746749; Firm's address: 220 SOUTH SIXTH STREET, SUITE 300 MINNEAPOLIS, MN 55402; Phone no.: 612-376-4500

**Schedule C - Rent Income (From Real Property and Personal Property Leased With Real Property)** (see instructions)

1. Description of property

(1)			
(2)			
(3)			
(4)			
2. Rent received or accrued		3(a) Deductions directly connected with the income in columns 2(a) and 2(b) (attach statement)	
(a) From personal property (if the percentage of rent for personal property is more than 10% but not more than 50%)	(b) From real and personal property (if the percentage of rent for personal property exceeds 50% or if the rent is based on profit or income)		
(1)			
(2)			
(3)			
(4)			
Total	0.	Total	0.
(c) Total income. Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A)		(b) Total deductions. Enter here and on page 1, Part I, line 6, column (B)	
		0.	

**Schedule E - Unrelated Debt-Financed Income** (see instructions)

1. Description of debt-financed property		2. Gross income from or allocable to debt-financed property	3. Deductions directly connected with or allocable to debt-financed property	
			(a) Straight line depreciation (attach statement) <b>STATEMENT 3</b>	(b) Other deductions (attach statement) <b>STATEMENT 4</b>
(1)	RICHARD GORDON BUILDING	447,477.	70,300.	295,284.
(2)				
(3)				
(4)				
4. Amount of average acquisition debt on or allocable to debt-financed property (attach statement) <b>STATEMENT 5</b>	5. Average adjusted basis of or allocable to debt-financed property (attach statement) <b>STATEMENT 6</b>	6. Column 4 divided by column 5	7. Gross income reportable (column 2 x column 6)	8. Allocable deductions (column 6 x total of columns 3(a) and 3(b))
(1)	1,241,553.	1,034,083.	100.00%	447,477.
(2)			%	
(3)			%	
(4)			%	
Totals			447,477.	365,584.
Total dividends-received deductions included in column 8			0.	

**Schedule F - Interest, Annuities, Royalties, and Rents From Controlled Organizations** (see instructions)

1. Name of controlled organization		2. Employer identification number	Exempt Controlled Organizations			6. Deductions directly connected with income in column 5
			3. Net unrelated income (loss) (see instructions)	4. Total of specified payments made	5. Part of column 4 that is included in the controlling organization's gross income	
(1)						
(2)						
(3)						
(4)						
7. Taxable income		8. Net unrelated income (loss) (see instructions)	9. Total of specified payments made	10. Part of column 9 that is included in the controlling organization's gross income	11. Deductions directly connected with income in column 10	
(1)						
(2)						
(3)						
(4)						
Totals				0.	0.	

**Schedule G - Investment Income of a Section 501(c)(7), (9), or (17) Organization**

(see instructions)

1. Description of income	2. Amount of income	3. Deductions directly connected (attach statement)	4. Set-asides (attach statement)	5. Total deductions and set-asides (col 3 plus col 4)
(1)				
(2)				
(3)				
(4)				
<b>Totals</b>	0.			0.

**Schedule I - Exploited Exempt Activity Income, Other Than Advertising Income**

(see instructions)

1. Description of exploited activity	2. Gross unrelated business income from trade or business	3. Expenses directly connected with production of unrelated business income	4. Net income (loss) from unrelated trade or business (column 2 minus column 3). If a gain, compute cols 5 through 7	5. Gross income from activity that is not unrelated business income	6. Expenses attributable to column 5	7. Excess exempt expenses (column 6 minus column 5, but not more than column 4)
(1)						
(2)						
(3)						
(4)						
<b>Totals</b>	0.	0.				0.

**Schedule J - Advertising Income** (see instructions)

**Part I Income From Periodicals Reported on a Consolidated Basis**

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col 2 minus col 3). If a gain, compute cols 5 through 7	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4)
(1)						
(2)						
(3)						
(4)						
<b>Totals (carry to Part II, line (5))</b>	0.	0.				0.

**Part II Income From Periodicals Reported on a Separate Basis** (For each periodical listed in Part II, fill in columns 2 through 7 on a line-by-line basis.)

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col 2 minus col 3). If a gain, compute cols 5 through 7	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4)
(1)						
(2)						
(3)						
(4)						
<b>Totals from Part I</b>	0.	0.				0.
<b>Totals, Part II (lines 1-5)</b>	0.	0.				0.

**Schedule K - Compensation of Officers, Directors, and Trustees** (see instructions)

1. Name	2. Title	3. Percent of time devoted to business	4. Compensation attributable to unrelated business
(1)		%	
(2)		%	
(3)		%	
(4)		%	
<b>Total. Enter here and on page 1, Part II, line 14</b>			0.

## FOOTNOTES

STATEMENT 1

FORM 990-T, SCHEDULE E, COLUMN 4  
 CALCULATION OF AVERAGE ACQUISITION INDEBTEDNESS

12/31/2011 ACQUISITION INDEBTEDNESS	1,256,450.
12/31/2012 ACQUISITION INDEBTEDNESS	1,226,656.
AVERAGE ACQUISITION INDEBTEDNESS	<u>1,241,553.</u>

FORM 990-T, SCHEDULE E, COLUMN 5  
 CALCULATION OF AVERAGE ADJUSTED BASIS

12/31/2011 ADJUSTED BASIS	1,055,895.
12/31/2012 ADJUSTED BASIS	1,012,271.
AVERAGE ADJUSTED BASIS	<u>1,034,083.</u>

FORM 990-T	OTHER DEDUCTIONS	STATEMENT	2
DESCRIPTION		AMOUNT	
TAX PREPARATION FEE		1,000.	
TOTAL TO FORM 990-T, PAGE 1, LINE 28		1,000.	

FORM 990-T	SCHEDULE E - DEPRECIATION DEDUCTION	STATEMENT	3
DESCRIPTION	ACTIVITY NUMBER	AMOUNT	TOTAL
DEPRECIATION AND AMORTIZATION		70,300.	
- SUBTOTAL -	1		70,300.
TOTAL OF FORM 990-T, SCHEDULE E, COLUMN 3(A)			70,300.

FORM 990-T	SCHEDULE E - OTHER DEDUCTIONS	STATEMENT	4
DESCRIPTION	ACTIVITY NUMBER	AMOUNT	TOTAL
INTEREST EXPENSE		69,378.	
UTILITIES		66,149.	
REPAIRS & MAINTENANCE		84,582.	
PROFESSIONAL FEES		34,847.	
REAL ESTATE TAXES		31,577.	
ADMINISTRATIVE EXPENSES		8,751.	
- SUBTOTAL -	1		295,284.
TOTAL OF FORM 990-T, SCHEDULE E, COLUMN 3(B)			295,284.

FORM 990-T                      AVERAGE ACQUISITION DEBT ON OR                      STATEMENT    5  
 ALLOCABLE TO DEBT-FINANCED PROPERTY

DESCRIPTION	ACTIVITY NUMBER	AMOUNT	TOTAL
AVG ACQUISITION DEBT		1,241,553.	
- SUBTOTAL -	1		1,241,553.
TOTAL OF FORM 990-T, SCHEDULE E, COLUMN 4			1,241,553.



FORM 990-T AVERAGE ADJUSTED BASIS OF OR STATEMENT 6  
 ALLOCABLE TO DEBT-FINANCED PROPERTY

DESCRIPTION	ACTIVITY NUMBER	AMOUNT	TOTAL
AVG ADJUSTED BASIS		1,034,083.	
- SUBTOTAL -	1		1,034,083.
TOTAL OF FORM 990-T, SCHEDULE E, COLUMN 5			1,034,083.